

A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

Councilmember Cheh introduced the following bill, which was referred to the Committee on _____.

To amend section 215 of the Rental Housing Act of 1985 to better ensure that 70 percent tenant approval of a Voluntary Agreement to increase the rent charged is free of coercive influences, to clarify that the Voluntary Agreement provision shall not be used to establish the rent charged absent a financial justification provided for in the Act, and to ensure that the Voluntary Agreement does not conflict with the purposes of the Act, and to amend section 205 of the Act to clarify that the reconfiguration or alteration of a rental unit is not a valid basis for claiming an exemption from rent control.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that this act may be cited as the "Rent Control Protection Amendment Act of 2008".

Sec. 2. Definitions

Section 103 of the Rental Housing Act of 1985, effective July 17, 1985 (D.C. Law 6-10; D.C. Official Code § 42-3501.03) is amended by adding a new paragraph (13A) to read as follows:

"(13A) "Head of household" means a tenant who maintains the affected rental unit as the tenant's principal place of residence, is a resident and domiciliary of the District of Columbia, and contributes more than one-half of the cost of maintaining the rental unit. If no member of a household contributes more than one-half of the cost of maintaining the rental unit, the members of the household who maintain the affected rental unit as their principal place of residence are residents and domiciliaries of the District of Columbia, and contribute to the cost of maintaining the rental unit, may designate one of themselves as the head of household. An individual may be

1 considered a head of household for the purposes of this chapter without regard to whether the
2 individual would qualify as a head of household for the purpose of any other law.”.

3 Sec. 3. Reconfigured units not exempt from rent control

4 Section 205(a)(2) of the Rental Housing Act of 1985 (D.C. Law 6-10; D.C. Official Code
5 § 42-3502.05(a)(2)) is amended by striking the phrase “demolished rental units” and inserting the
6 phrase “demolished rental units; provided further, that this exemption shall not apply to any
7 existing rental unit on the basis that it has been reconfigured, renovated, rehabilitated, or
8 otherwise altered” in its place.

9 Sec. 4. Voluntary Agreement

10 Section 215 of the Rental Housing Act of 1985 (D.C. Official Code § 42-3502.15) is
11 amended as follows:

12 (a) Subsection (a) is amended as follows:

13 (1) The leading text is amended to read as follows: “Seventy percent or
14 more of the heads of household residing in each rental unit of the housing
15 accommodation may enter into a Voluntary Agreement with the housing provider to
16 establish the rent charged; provided, that:

17 “(A) The Voluntary Agreement shall be entered into only as an
18 alternative to a rent adjustment petition pursuant to section 210, 211, 212, or 214 of the
19 Rental Housing Act of 1985 (D.C. Official Code §§ 42-3502.10, 42-3502.11, 42-3502.12,
20 or 42-3502.14); provided, that the Voluntary Agreement shall:

21 “(1) Identify the provision of the Act for which the
22 Voluntary Agreement is serving as the alternative means for increasing the rents charged;

23 “(2) Include any supporting documentation or
24 information that would be required, pursuant to section 210, 211, 212, or 214 as
25 applicable, to secure the Rent Administrator’s approval of a petition under the provision

1 for which the Voluntary Agreement is serving as the alternative means for increasing the
2 rents charged ; and,

3 “(3) Be subject to the criteria for approval, and the rent
4 increase limitations, pursuant to section 210, 211, 212, or 214 as applicable, that would
5 apply under the provision for which the Voluntary Agreement is serving as the alternative
6 means for increasing the rents charged.

7 “(B) The housing provider shall explicitly waive the right to file
8 any petition pursuant to section 210, 211, 212, or 214 of the Rental Housing Act of 1985
9 for any purpose within the scope of the Voluntary Agreement;

10 “(C) If the Voluntary Agreement applies to any unit that is
11 vacant as of the date of the filing of the proposed Voluntary Agreement, that unit shall
12 count as a vote in opposition to the Voluntary Agreement; if as of the date of the filing of
13 the proposed Voluntary Agreement more than 30 percent of the units are vacant, the
14 Voluntary Agreement shall apply only to occupied units;

15 “(D) If the housing provider initiates any communication with
16 an individual tenant or group of tenants regarding the Voluntary Agreement without the
17 opportunity for all tenants to be present, there shall be a rebuttable presumption that the
18 housing provider has engaged in coercion pursuant to subsection (d)(1) of this section;

19 “(E) If applicable, the Voluntary Agreement shall include a
20 timetable for the commencement and the completion of any work to be done to the
21 housing accommodation;

22 “(F) The amount of the rent increase shall be no greater than the
23 Rent Administrator deems justified by the documentation for the alternative housing
24 provider petition identified pursuant to subparagraph (A) of this paragraph;

25 “(G) The Rent Administrator may revoke or suspend the rent
26 increase, and order rent refunds, upon a showing that the housing provider has not

1 commenced or completed the work within a reasonable period of time, or has violated
2 any other provision of this subsection;

3 “(H) The housing provider or a tenant may withdraw his or her
4 signature or approval of a Voluntary Agreement within 14 days following the submission
5 of the signatures to the Rent Administrator;

6 “(I) In determining whether the 70 percent threshold has been
7 met for the Voluntary Agreement, the Rent Administrator shall not count the signature of
8 any employee or agent of the owner, any person receiving compensation of any kind
9 from the owner, or any tenant who moved into the housing accommodation after the date
10 of the filing of the proposed Voluntary Agreement;

11 “(J) The housing provider shall not impose all or any portion of
12 an approved rent increase for any unit unless the increase is imposed at the same time and
13 by the same dollar amount or percentage for all other units covered by the Voluntary
14 Agreement.”.

15 (2) Paragraphs (1)(2) and (3) are repealed.

16 (b) Subsection (b) is amended by striking the sentence “If approved by the Rent
17 Administrator the agreement shall be binding on the housing provider and on all tenants”
18 and inserting in its place the sentences “If approved by the Rent Administrator the
19 agreement shall be binding on the housing provider and on all units covered by the
20 Voluntary Agreement. Neither the housing provider nor any tenant shall assign the right
21 to enter into a Voluntary Agreement, or any right or obligation pursuant to the Voluntary
22 Agreement.”.

23 (c) Subsection (c) is repealed.

24 (d) A new subsection (d) is added to read as follows:

25 “(d) The Rent Administrator shall disapprove the Voluntary Agreement if:
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1 “(1) All or part of the tenant approval has been induced by duress,
2 harassment, intimidation, coercion, fraud, deceit, mistake, omission or misrepresentation
3 of material facts, or the offer of any benefit that is not provided to all current and all
4 future tenants covered by the Voluntary Agreement;

5 “(2) The Voluntary Agreement would result in the inequitable treatment
6 of any tenant including any current tenant and any covered future tenant;

7 “(3) The housing provider conditions the leasing of any rental unit on
8 agreement by the applicant to sign the Voluntary Agreement;

9 “(4) The Voluntary Agreement fails to include any term or condition
10 imposed on the housing provider or on any tenant, or fails to identify with sufficient
11 specificity the benefit to the tenants, or fails to adequately support the basis upon which
12 the Voluntary Agreement is sought pursuant to subsection (a)(1)(A) of this section; or

13 “(5) The Voluntary Agreement contradicts any provision of §102 of the
14 Act.”.

15 (e) A new subsection (e) is added to read as follows:

16 “(e) The purposes of this section favor resolution of ambiguity in a Voluntary
17 Agreement by a hearing officer or a court toward strengthening the legal rights and
18 interests of the tenants to the maximum extent permissible under law.”.

19 Sec. 5. Fiscal Impact

20 The Council adopts the fiscal impact statement in the committee report as the
21 fiscal impact statement required by section 602(c)(3) of the District of Columbia Home
22 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-
23 206.02(c)(3)).

24 Sec. 6. Effective Date

25 This act shall take effect following approval by the Mayor (or in the event of veto
26 by the Mayor, action by the Council to override the veto), a 30-day period of

- 1 Congressional review as provided in section 602(c)(1) of the District of Columbia Home
- 2 Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-
- 3 206.02(c)(1)), and publication in the District of Columbia Register.